



# An Investment in Our Future

A Sustainable Development Stategy for the Agency

1997



Environmental Assessment ... before you decide



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# **AN INVESTMENT IN OUR FUTURE**

A SUSTAINABLE DEVELOPMENT STRATEGY
FOR THE AGENCY

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### Message from the Honourable Christine Stewart, Minister of the Environment

Canada's environment supports and affects every aspect of our lives: our health, our work, our leisure, our children. Respecting and keeping the environment healthy is a sure way of protecting all that we cherish. Sustainable development is a way of achieving this. It is the kind of development that meets the needs of the present without compromising the ability of our children and our children's children from meeting theirs. A healthy environment is an investment in a bright future.

The Government of Canada regards sustainable development as a prerequisite for prosperity. This is why all government departments have re-committed themselves to reviewing their programs, policies and activities to better understand their environmental impacts and develop strategies to make them environmentally friendly.

The sustainable development strategy of the Canadian Environmental Assessment Agency is one expression of this commitment. Environmental assessment is a powerful planning tool that gives federal decision makers the information they need to make decisions that are compatible with a healthy, sustainable environment for both present and future generations.

There can be no bystanders in the quest for sustainable development. It is a cooperative process in which we must all be involved: all levels of government, business and industry, communities, families and individual Canadians. To do otherwise is to place our children, our future in serious jeopardy. Join us, won't you?

The Honourable Christine Stewart

#### 1.0 Introduction

Environmental assessment is a systematic process of identifying, predicting, evaluating and mitigating the broad environmental effects of proposed undertakings before irrevocable decisions are made. It is an essential means for the federal government to advance sustainable development, help avoid the costly mistakes of the past, and promote and protect the environment. Environmental assessment provides a systematic means of integrating environmental factors into federal planning of projects, policies and programs. It allows government to carefully consider environmental effects before making irrevocable decisions.

The Canadian government has a 25-year record of experience in identifying and integrating environmental impacts, consulting with the interested and affected public on these matters, and providing decision makers with information on the likely consequences of proposed actions.

The mission of the Canadian Environmental Assessment Agency (the Agency) is to provide effective means of integrating environmental factors into federal planning and decision-making in a manner that takes into account public values and the goal of sustainable development.

The Canadian Environmental Assessment Act (the Act), proclaimed on January 19, 1995 is the legal basis for the federal environmental assessment process. The preamble to the Act states:

"...The Government of Canada seeks to achieve sustainable development by conserving and enhancing environmental quality and by encouraging and promoting economic development that conserves and enhances environmental quality. ...Environmental assessment provides an effective means of integrating environmental factors into planning and decisionmaking processes in a manner that promotes sustainable development."

The Canadian Environmental Assessment Act defines sustainable development as "development that meets the needs of the present, without compromising the ability of future generations to meet their own needs".

The Agency serves as the focal point for environmental assessment at the federal level. Its focus in on the promotion of sustainable development through environmental assessment. This emphasizes the need to work closely with federal departments to implement a coordinated, effective and consistent federal environmental assessment process. Operating as an independent statutory agency within the portfolio of the Minister of the Environment, the Agency is guided by the following instruments:

- the Canadian Environmental Assessment Act and its major regulations: the Law List Regulations, the Comprehensive Study List Regulations, the Inclusion List Regulations, the Exclusion List Regulations, the Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements (Federal Coordination Regulations), and Projects Outside Canada Environmental Assessment Regulations;
- bilateral agreements with provincial governments that set out mutually agreed upon harmonization processes for environmental assessment activities;
- international agreements containing environmental assessment provisions to which Canada is a signatory, e.g., the United Nations Economic Commission for Europe (UNECE) Convention on Environmental Impact Assessment in a Transboundary Context, the United Nations Convention on Biological Diversity, and the North American Agreement on Environmental Cooperation; and
- environmental assessment processes enshrined in various land-claims agreements: e.g., the President of the Agency has been designated by Order-in-Council as the federal administrator of environmental and social protection regimes set out in chapters 22 and 23 of the 1975 James Bay and Northern Quebec Agreement.

The Agency also assists the Minister of the Environment in implementing *The Environmental Assessment Process for Policy and Program Proposals*, and providing guidance to federal authorities.

#### 2.0 Activities

The Agency is engaged in numerous activities to manage and advise on the application of the environmental assessment process in a consistent and timely manner. The objective of these activities is to ensure that the most effective and efficient means are used to integrate environmental considerations into federal decision making.

Management of Panel Reviews and Mediation—Under the Canadian Environmental Assessment Act, the Agency provides administrative and technical support for these federally appointed panels. The Act offers the possibility of mediation services, if certain conditions are met. The Agency will continue to assess the potential for mediation as an alternative to panel reviews following the screening stage or the outcome of a comprehensive study.

Participant Funding Program—This program provides financial assistance to enable the public to participate effectively in panel reviews. The Agency manages the program and oversees the independent funding review committee established for each panel review.

Comprehensive Studies and Class Screenings—In addition to providing procedural advice on the environmental assessment process, the Agency reviews comprehensive study reports and provides recommendations to the Minister. The Agency also works with federal departments and agencies and proponents to identify and designate model screenings to be used for the class screening of similar projects.

Regional Liaison and Advisory Services—The Agency advises government departments, provinces and other stakeholders on applying the federal environmental assessment process. It facilitates the process through a network of regional offices designed to improve coordination and efficiency among federal departments, provinces and proponents.

**Promotion of Environmental Assessment**—A key element of an effective environmental assessment process is its successful promotion to the public and to Parliament. This involves communication initiatives and other activities to promote an understanding of environmental assessment and the Agency's role.

Public Registry—The Agency manages the Federal Environmental Assessment Index which provides information on projects undergoing assessment. In addition, the government-wide Public Registry System, established in consultation with federal departments, provides convenient and cost-effective public access to information on all environmental assessments registered under the Act.

Regulations and Standards—Several initiatives to develop regulatory and non-regulatory standards are under way. The Federal Coordination Regulations and panel review procedures have recently come into effect. Other initiatives, dealing with Crown corporations, harbour commissions, and revisions to various regulations are at different stages of development. The Agency has also launched a pilot project, in collaboration with the Canadian Standards Association, to develop a standard for environmental assessment screenings.

Compliance and Monitoring—The Agency and Industry Canada, in collaboration with Environment Canada and Natural Resources Canada, have completed a joint monitoring program to assess the impact of the Act on the competitiveness of Canadian industry during the first year after promulgation. This is being followed-up with a multi-year monitoring program. The Agency is currently developing a compliance strategy building upon promotion and guidance.

Harmonization Development— Under the Canada-wide Accord on Environment Harmonization, the Canadian Council of Ministers of the Environment has agreed to prepare a multi-lateral sub-agreement on environmental assessment. Specific bilateral agreements will define the roles and responsibilities of each party and allow for environmental assessments that meet federal and provincial legal and operational requirements.

Process Efficiency and Cost Recovery—Following national public consultations, the Agency has developed a cost-recovery regime for environmental assessments, together with proposals to increase the efficiency of the environmental assessment process. The Agency has developed a regulation to improve federal coordination, a guideline to improve the efficiency and effectiveness of panel reviews, and guides and codes of practice to assist in implementing the Act.

Environmental Assessment Advancement—The Agency is currently seeking new ways to expand and enhance its environmental assessment knowledge base. As it identifies its knowledge requirements, the Agency commissions or coordinates environmental research to add to the base. Examples of such research are the Joint Monitoring Program and the *International Study on the Effectiveness of Environmental Assessment*. The Agency transfers its knowledge to stakeholders through the guides it issues and through its comprehensive education programs. Preliminary guides for the environmental assessment of mining projects in Canada and on cumulative effects are underway, as is a research program to identify what is required for follow-up in the context of the Act.

International Affairs—The Agency has taken the lead in providing environmental assessment process advice and guidance on behalf of the federal government. The Agency meets with foreign delegations and participates in such projects as the International Study on the Effectiveness of Environmental Assessment. Canada is signatory to several international agreements involving environmental assessment. For example, Canada is a signatory to the UNECE Convention on Environmental Impact Assessment in a Transboundary Context. As Canada's representative, the Agency has been addressing issues related to implementation so that the Convention can be ratified. The Convention will apply to projects in Canada that may have significant adverse transboundary environmental effects. Using the principles developed under the Convention, eight countries (including Canada) have developed procedures and guidelines for transboundary environmental assessment as part of the Arctic Environmental Protection Strategy.

Canada is also a signatory to the *North American Agreement on Environmental Cooperation* which intends to address transboundary environmental effects. The Agency is working with the United States and Mexico to develop a binding agreement on notification, assessment and mitigation of projects with potentially significant adverse transboundary environmental effects.

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**Aboriginal Affairs**—Current federal government policies on Aboriginal land claims and the inherent right to self-government recognize the importance of ensuring that Aboriginal people have greater control over their lives. With Agency advice, the federal government is able to take a more consistent approach to integrating and harmonizing, within existing processes, the environmental assessments conducted in accordance with comprehensive land-claim and self-government agreements.

James Bay and Northern Quebec Agreement—The Agency supports the federal administrator in fulfilling responsibilities under this Agreement. It requires the Agency to manage the environmental assessments for certain types of development proposals under federal jurisdiction within the region. As well, agreements with the province call for the Agency to provide administrative support to Northern Committees involved in assessment regimes in the area covered by this Agreement.

### 3.0 Challenges and Issues

New challenges posed by important changes in Canadian society and institutions will determine the effectiveness of and directions for environmental assessment and sustainable development in the coming years. At the broadest level, the challenges are to increase the efficiency of environmental assessment through harmonization and other initiatives while also improving the quality of federal environmental assessment processes. Sustainable development is as yet an "unfinished concept". Considerable progress has been made in recent years in better defining the importance of simultaneously considering economic, environment and social goals, particularly in policy and program design. This helps provide a framework or context for reviewing the particular contribution that environmental assessment can make in advancing sustainable development.

**Improving Efficiency**—The federal government is seeking to improve the efficiency of environmental assessment on a number of fronts:

- Harmonization of federal, provincial and Aboriginal assessments relating to a project is essential to avoid overlap and duplication of effort.
- The federal government must coordinate the assessment of a given project if more than one federal authority is involved. The Federal Coordination Regulations establish timelines and regulate activities of departments to ensure that an assessment is efficiently coordinated among federal authorities to reduce the likelihood of more than one assessment for a project. The Ministerial Guideline, Procedures for an Assessment by a Review Panel, will also ensure predictability of process in the conduct of panels.

Fiscal Pressures—Fiscal pressures are affecting federal environmental assessment activities, as departments are asked to meet their legislated requirements with reduced budgets. These constraints have forced departments to reallocate funds from other sources for environmental assessment and to become more efficient. An important issue for the Agency is how to respond to fiscal pressures on the federal environmental assessment system without limiting the government's capacity to achieve its environmental assessment goals. The Agency's cost-recovery initiative may alleviate some of these fiscal pressures.

**Regulatory Initiatives**—The Act provides the Agency with the authority to make regulations in addition to the four key regulations promulgated when the Act came into force. The Agency is developing regulations or alternative non-regulatory environmental assessment regimes to fill gaps in the Act's coverage of certain categories of federal lands or certain federal responsibilities or interests, such as the following:

- federal Crown corporations,
- harbour commissions.
- Indian lands and Band funding, and
- airport authorities.

At issue is whether these gaps should be filled through regulatory or non-regulatory initiatives. Will the Agency's regulatory program or its specific regulatory initiatives enhance their environmental performance?

Aboriginal environmental assessment processes are being developed under land-claim and self-government negotiations. A challenge for the Agency is to provide procedural advice on environmental assessment that respects the need to establish self-government and settle claims while ensuring that any environmental assessment system is effective and efficient, and can be harmonized with the federal and provincial systems.

Finally, the Agency also faces the issue of ratifying and implementing the UNECE Convention on Environmental Impact Assessment in a Transboundary Context and the challenge of developing a binding agreement on transboundary environmental assessment under the North American Agreement on Environmental Cooperation.

Policy and Program Assessment—In 1990, a government directive stipulated that a non-legislated environmental assessment process would apply to proposals for policy and program initiatives put forward for government consideration. This process is perhaps the only formal government-wide tool (aside from sustainable development strategies) to ensure that environmental considerations are integrated into policy and program proposals.

The overall challenge for the government is to ensure that policy and program decisions affecting the environment are made on the basis of sound environmental information. The Agency's challenge is how to best support this.

**Public Participation**—Public participation is generally seen as a key element of sustainable development. One of the purposes of the Act is to ensure public participation in the environmental assessment process. A continuing challenge is to find new ways to engage the public while meeting proponents' desires for expeditious processes. The Ministerial Guideline, *Procedures for an Assessment by a Review* 

*Panel*, will give participants a better opportunity to test statements made in presentations to panel reviews, as well as assure proponents that panel reviews will be carried out expeditiously. A related issue is how to best ensure continued informed public participation in public reviews in the face of reduced budgets for environmental assessment.

Research and Development—A challenge for the federal environmental assessment system is to ensure credible, up-to-date and accessible knowledge and information to support environmental assessments, despite fiscal pressures and institutional changes. Canadians need this information to verify and monitor the environmental effects predicted by an environmental assessment so that the knowledge gained from it can be made available for future assessments.

The Agency is leading the development of a research and development agenda for environmental assessment to follow up on the *International Study on the Effectiveness of Environmental Assessment*.

As governments downsize and privatize programs and services, the Agency is examining innovative approaches to environmental assessment to improve quality and efficiency. The Agency is undertaking, with the Canadian Standards Association, a pilot project on the development of environmental assessment standards, specifically for screenings. A potential benefit would be the standardization of documents and methodologies for all levels of environmental assessment in Canada.

Another research initiative for the Agency is finding a way to incorporate traditional ecological knowledge into the work of review panels, where appropriate, and into environmental assessment generally.

"Greening" the Agency—Given the nature and scale of the Agency's operations, the adverse environmental effects of its operations are limited. The primary environmental effects are from the operation of offices, the publication of documents, and the modes of travel of its staff and panel members. However, the Agency is a key sustainable development institution within the federal government and has a high public profile. As such, the Agency must be in the forefront of federal efforts to "green" its internal operations.

The Agency is committed, under the *Auditor General Act*, to preparing and implementing an environmental management system. A key issue for the Agency is the extent to which it should rely on environmental management approaches and initiatives developed by other federal departments (e.g., Environment Canada and Public Works and Government Services Canada) as it implements its own environmental management system. As a minimum, the Agency will meet or exceed federal "best practices guidelines", particularly in the case of procurement and waste reduction.

## 4.0 Goals, Objectives and Action Plans

To accomplish its mission, the Agency develops, manages and promotes an effective federal environmental assessment process. The Agency's business is to serve as the focal point for environmental assessment at the federal level through the implementation of a coordinated, effective and consistent federal process. Its contribution to sustainable development can best be measured by the performance of federal departments and agencies, who base their decision on the assessments they conduct as required by the Canadian Environmental Assessment Act. Through effective corporate management, the Agency can enhance the quality of environmental assessments. In so doing, three overarching themes become evident, with their accompanying action plans:

- assume a leadership role for corporate management of environmental assessment processes in the federal government;
- refine and enhance the appropriate application of environmental assessment; and
- encourage the use of environmental assessment as a decision-making tool through strategic partnerships and agreements.
- 4.1 Assume a leadership role for corporate management of environmental assessment processes in the federal government—Through effective corporate management, the Agency can best identify what is needed to enhance the consistent and appropriate application of environmental assessments. It can act as a catalyst for others, while respecting the role of responsible authorities in conducting environmental assessments and making appropriate decisions. Actions to support these objectives include:
  - continuing efforts to communicate the benefits of environmental assessment, including the results of the Joint Monitoring Program, statistical analysis from the Public Registry System, results of the three-year International Study on the Effectiveness of Environmental Assessment, and responses to comments received from the public on the Agency's Internet site;
  - establishing a system for follow-up to determine whether environmental assessments of projects are accurate and whether measures to mitigate any adverse environmental affects taken after a public review or comprehensive study of a project are effective;
  - demonstrating continued improvement in the application of the Act through monitoring and compliance information;

- continuing to provide advice and support to federal negotiators addressing environmental assessment issues in Aboriginal comprehensive land-claim and self-government negotiations; and
- continuing use of the Agency's Regulatory Advisory Committee as the key forum for consulting with environmental assessment stakeholders.
- 4.2 Refine and enhance the appropriate application of environmental assessment—The Agency is developing innovative measures to improve the quality of environmental assessments and to encourage the use of best practices by:
  - continuing to provide guidance and training, to federal departments and Agencies in the application of the Act;
  - supporting environmental assessment standards, in collaboration with the Canadian Standards Association and by stakeholders;
  - continuing development of environmental assessment regimes for Crown corporations, harbour commissions and airports;
  - continuing to refine regulations to enhance their efficiency and effectiveness; and
  - providing advice, assistance and support to departments in the preparation of environmental assessments of policy and program proposals.
- 4.3 Encourage the use of environmental assessment as a decision-making tool through strategic partnerships and agreements—A key part of the Agency's mandate is to convince decision makers of the value of good environmental assessment in terms of its long-term positive impact on the health of the environment. Ongoing efforts include:
  - developing strategic partnerships, both federally and provincially, to reduce overlap and eliminate duplication in environmental assessments;
  - continuing to work toward bilateral and multilateral harmonization agreements, including substitution agreements with other federally created agencies;
  - continuing collaboration with Mexico and the United States on a trilateral agreement on transboundary environmental assessments; and
  - ratifying the UNECE Convention on Environmental Impact Assessment in a Transboundary Context.

### 5.0 Conclusion

Canadians expect governments to be responsible stewards of the environment. The Agency's ultimate goal is to improve the quality and delivery of the federal environmental assessment process. Refinements and improvements to the application of the *Canadian Environmental Assessment Act*, as outlined in this strategy, will continue to make a positive contribution towards informed decision making. The Act will provide the government with an effective tool in achieving the goal of sustainable development.

### 6.0 Consultations

In developing this sustainable development strategy, the Agency consulted with the following stakeholders:

# 6.1 The Senior Management Committee on Environmental Assessment, represents the following federal departments:

Agriculture and Agri-food Canada

Atlantic Canada Opportunities Agency

Atomic Energy Control Board

Bureau fédéral de dévelopment régional (Québec)

Canadian Heritage

Canadian International Development Agency

Canadian Transportation Agency

Department of Citizenship and Immigration

Department of Fisheries and Oceans

Department of Indian and Northern Affairs

**Environment Canada** 

Finance Canada

Foreign Affairs and International Trade

Health Canada

Human Resources Development

Industry Canada

National Defence

National Energy Board

National Research Council

Natural Resources Canada

Privy Council Office

Public Works and Government Services Canada

Revenue Canada

Veterans Affairs Canada

Transport Canada

Treasury Board

Western Economic Diversification

# 6.2 The Regulatory Advisory Committee, includes representatives from the following:

British Columbia Ministry of the Environment

Canadian Association of Petroleum Producers

Canadian Construction Association

Canadian Environmental Network

Canadian Mining Association

Canadian Nuclear Association

Centre patronal de l'environnement du Québec

Canadian Pulp and Paper Association

Department of Fisheries and Oceans

**Environment Canada** 

Industry Canada

Inuit Tapirisat of Canada

Natural Resources Canada

Ontario Ministry of Environment and Energy

**Ouebec Environmental Law Centre** 

West Coast Environmental Law Association

# 6.3 The federal Interdepartmental Network on Sustainable Development, includes representatives of all federal departments.

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